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FISCAL IMPACT STATEMENT

LS 6430

BILL NUMBER: SB 250

NOTE PREPARED: Dec 30, 2005

BILL AMENDED:

SUBJECT: Unemployment Compensation.

FIRST AUTHOR: Sen. Craycraft

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill reduces the qualifying period for unemployment compensation benefits from eight to four weeks.

The bill provides that certain statutory disqualifications do not apply to an individual who left one job to take another job that could reasonably be expected to offer better wages or working conditions and who is discharged from the second job without just cause. It provides, for purposes of unemployment compensation eligibility, that the violation of an employer's reasonable and uniformly enforced attendance rule can constitute just cause for discharge unless the individual seeking compensation can show good cause for the absences or tardiness. It defines "good cause" to include compelling family obligations, sexual harassment, and financial inability to maintain two residences.

Effective Date: July 1, 2006.

Explanation of State Expenditures: The provisions of this bill may create a minimal increase in expenditures from the Unemployment Insurance Benefit Fund, the extent of which is indeterminable and dependent on the number of individuals who meet the above criteria. The balance in the Unemployment Insurance Benefit Fund as of June 30, 2005, was about \$610.5 M, and benefits paid were about \$692.8 M.

The impact on the state as an employer is also minimal. The state spent approximately \$4.6 M for FY 2005 and \$3.4 M for FY 2004 on unemployment insurance benefits.

Explanation of State Revenues:

Explanation of Local Expenditures: The provisions of this bill may create a minimal increase in expenditures for unemployment insurance benefits.

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development; State agencies.

Local Agencies Affected: Local units of government.

Information Sources: State Budget Agency Auditor's Database.

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